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Laventhol & Horwath
Certified Public Accountants

B5050-4

NATIONAL TREND OF BUSINESS
Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

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OCTOBER 1986 COMPARED WITH OCTOBER 1985

OCCUPANCIES SURGE AHEAD FOURTH CONSECUTIVE MONTH

The occupancy rate for October, reported at 67.2 percent, increased 1.1 percent over October of last year. This is the fourth consecutive monthly increase over last year. This surge in occupancies was led by the eastern part of the United States, as both the Northeast and Southeast regions of the nation posted substantial gains. Due to the recent strong performances in occupancies, the year-to-date national rate stands at 66.3 percent, an increase of 0.3 percent over the first ten months of 1985.

The average daily rate paid for a room during October was $64.41, an increase of 1.8 percent from a year ago. This rate of increase slightly exceeds the 1.5 percent growth for all consumer goods and services as measured by the Consumer Price Index. The Northeast region, with a rate of $94.90, continues to have the highest regional average rate, while the South Central region indicates the least expensive average rate, $54.54 per day. The national room rate year-to-date of $61.96, is 3.5 percent above the comparable 1985 level.

Total sales for the lodging establishments rose 4.3 percent in October, while room sales increased 4.8 percent compared with October of last year. Year-to-date total sales are 4.5 percent higher than during 1985.

Food and beverage operations indicated a slight improvement in over last October as the number of covers grew 0.1 percent. Total food and beverage sales per occupied increased from $35.30 to $35.34 and average receipt per cover increased from $10.04 to $10.41. The number of covers served year-to-date is down 0.6 percent from last year.

	Projections	Actual Last Year
December 1986	48-50%	48.1%
January 1987	55-57%	55.0%
February 1987	63-65%	65.1%

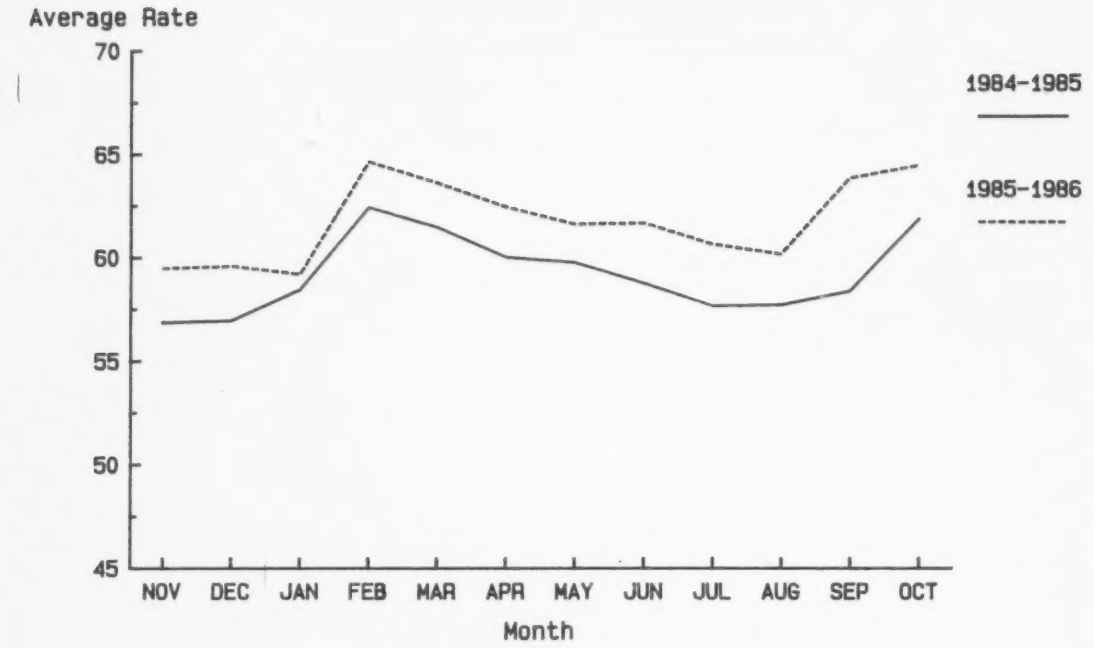
SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	62.3%	-1.3%
AFFILIATION:		
Chain	63.2	-0.9
Independent	61.3	-2.7
AREA:		
Northeast	72.9	-0.7
Southeast	67.2	0.3
North Central	62.3	-1.3
South Central	54.2	3.0
West	65.6	-0.2
LOCATION:		
Center City	62.2	-4.5
Suburban	60.9	-1.8
Highway	60.7	1.7
Airport	67.8	1.5
Resort	64.3	-3.9
SIZE:		
Under 150 rooms	61.7	-0.8
150 to 299 rooms	60.8	0.7
300 to 600 rooms	61.6	-4.3
Over 600 rooms	65.9	-6.3
TYPE:		
Hotel	63.2	-3.5
Motor Hotel	59.1	-1.2
Economy	62.5	2.8

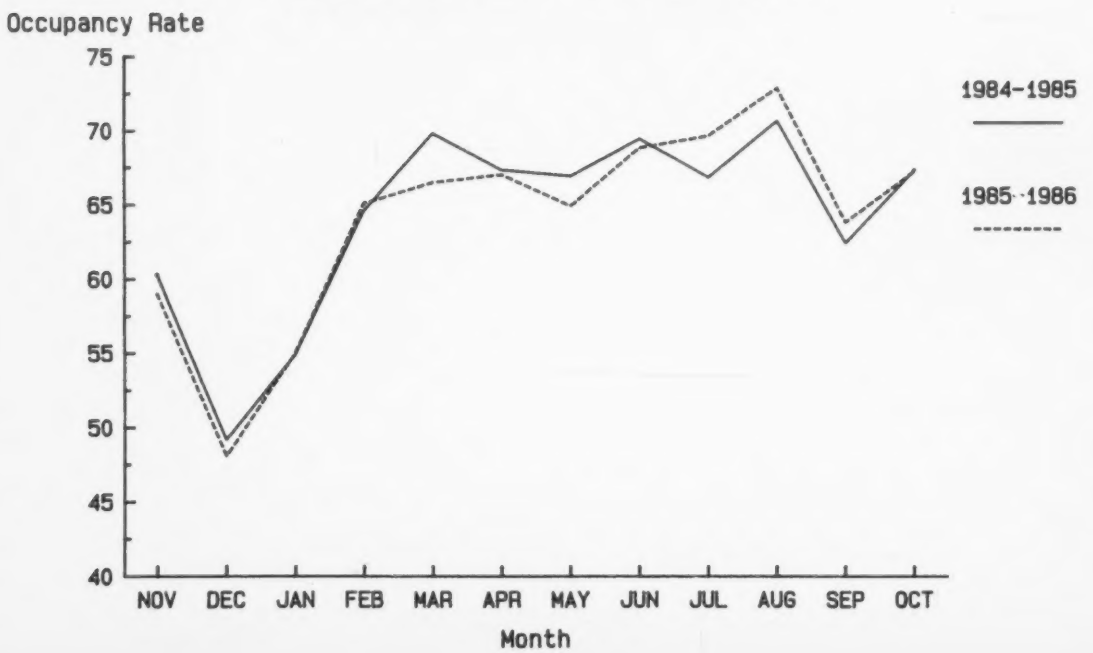
* FROM PREVIOUS MONTH

Bill Evans, Senior Analyst
Research and Development

NATIONAL AVERAGE ROOM RATE
NOVEMBER 1984 - OCTOBER 1985
NOVEMBER 1985 - OCTOBER 1986



NATIONAL OCCUPANCY RATE
NOVEMBER 1984 - OCTOBER 1985
NOVEMBER 1985 - OCTOBER 1986



TREND REPORT OCTOBER 1986 COMPARED WITH OCTOBER 1985

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	OCT	% CHG	OCT	% CHG	OCT	% CHG	OCT	% CHG
TOTAL	4.3	4.8	2.5	5.6	67.2	1.1	49.0	3.8	$ 64.41	1.8	$ 96.21	1.4
REGION:												
Northeast	5.0	4.8	5.5	4.7	86.5	2.0	43.9	7.3	$ 94.90	3.2	$134.16	3.4
Southeast	8.5	10.5	5.1	5.0	63.1	9.0	73.0	6.3	59.22	0.4	92.58	-1.4
North Central	3.8	3.5	2.5	8.5	69.5	-4.8	37.4	-0.3	56.08	6.2	89.44	6.4
South Central	-4.2	-3.9	-5.8	0.6	58.2	-2.2	37.1	-10.6	54.54	-2.0	79.59	-2.3
West	6.4	7.0	3.1	8.5	68.0	-1.0	44.9	4.9	61.03	2.2	90.42	1.7
AFFILIATION:												
Chain	4.0	4.4	2.0	7.4	67.7	1.0	46.5	2.6	63.69	1.3	93.74	0.9
Independent	5.6	6.7	4.4	-1.2	64.6	1.1	59.3	7.6	67.98	4.4	108.51	3.4
LOCATION:												
Center City	2.3	2.4	0.6	6.4	72.0	-0.7	43.2	-0.5	82.48	1.8	122.07	1.8
Suburban	2.3	4.3	-3.3	4.8	64.9	-1.5	41.0	9.6	54.18	1.8	79.44	-0.2
Airport	5.8	4.5	7.5	13.4	69.2	1.3	28.8	10.3	56.71	0.9	85.94	2.1
Highway	0.8	1.6	-1.7	1.3	62.7	-0.3	58.9	3.0	41.45	1.2	55.45	0.5
Resort	13.5	16.9	10.4	3.2	63.5	11.8	86.9	2.2	70.45	2.7	118.05	-0.2
SIZE:												
UNDER 150 ROOMS	3.0	3.2	0.8	1.9	63.8	-2.4	55.6	6.5	$ 41.14	3.8	$ 54.09	3.6
150 - 299 ROOMS	2.2	3.6	-2.9	4.8	63.3	1.4	46.3	6.2	52.74	0.9	77.30	-0.5
300 - 600 ROOMS	3.4	4.0	2.1	2.7	67.3	2.0	43.5	2.8	70.33	0.8	109.04	0.2
OVER 600 ROOMS	7.1	6.9	7.1	9.1	75.9	2.4	53.3	1.1	90.76	1.0	138.93	1.2
TYPE:												
Hotel	4.6	5.2	2.5	6.4	70.8	1.4	45.2	1.1	77.08	1.6	120.57	1.0
Motor Hotel	1.8	1.3	3.1	3.9	61.1	-0.3	52.2	4.0	46.62	1.2	63.80	1.7
Economy	6.5	7.3	-18.5	-44.0	64.3	-2.4	64.6	13.5	30.32	4.3	30.68	3.4
All Suites	10.9	15.1	-3.7	1.4	68.4	10.9	82.8	20.9	63.95	-0.4	81.61	-4.1

YEAR TO DATE TREND REPORT - AS OF OCTOBER 1986

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	OCT	% CHG	OCT	% CHG	OCT	% CHG	OCT	% CHG
TOTAL	4.5	5.2	1.9	4.3	66.3	0.3	55.0	2.4	$ 61.96	3.5	$ 92.13	2.9
REGION:												
Northeast	8.1	9.1	5.5	7.9	74.8	3.6	43.7	-0.5	$ 88.72	5.9	$127.33	4.9
Southeast	6.9	8.1	4.0	7.5	69.9	4.2	86.1	3.6	62.19	2.9	94.43	1.8
North Central	3.3	4.4	0.6	3.5	64.4	-1.1	42.0	4.0	50.22	5.1	75.89	4.0
South Central	-4.8	-4.9	-4.6	-4.3	55.6	-4.6	41.1	-0.5	52.16	-0.4	76.82	-0.3
West	6.5	6.9	2.6	2.6	69.5	-1.0	51.1	0.4	60.63	2.7	90.82	2.4
AFFILIATION:												
Chain	4.3	4.9	1.6	4.6	66.3	-	51.9	1.6	60.82	3.2	89.06	2.6
Independent	5.2	6.3	3.0	3.3	65.7	0.3	67.5	5.6	67.27	5.1	106.38	4.0
LOCATION:												
Center City	5.9	6.6	3.5	5.4	65.3	1.6	46.0	1.3	75.80	4.5	112.64	3.8
Suburban	-0.7	1.0	-4.8	-1.0	63.9	-3.0	45.2	4.4	53.65	2.1	78.56	0.5
Airport	4.6	4.6	0.1	3.9	68.5	-0.1	33.6	0.6	56.01	2.5	82.53	2.4
Highway	0.9	1.7	-2.3	2.3	65.6	-1.8	63.0	3.6	42.92	1.9	57.70	1.1
Resort	8.6	9.5	7.0	7.0	70.2	4.0	101.2	1.3	74.23	2.9	121.33	2.0
SIZE:												
UNDER 150 ROOMS	1.9	2.4	-1.0	1.8	65.5	-2.2	64.6	4.4	$ 42.48	3.2	$ 53.86	2.7
150 - 299 ROOMS	1.5	2.3	-1.9	2.0	64.2	-1.4	50.7	3.3	54.10	2.7	79.38	1.9
300 - 600 ROOMS	4.1	5.1	2.1	3.9	65.6	0.9	51.9	3.0	68.25	2.7	106.69	1.7
OVER 600 ROOMS	9.2	9.9	6.3	7.0	71.6	4.1	58.4	0.2	85.82	3.3	131.89	2.6
TYPE:												
Hotel	5.7	6.6	2.9	5.0	66.9	1.4	50.6	0.6	72.96	3.6	114.53	2.8
Motor Hotel	-0.1	0.5	-2.3	0.8	64.9	-2.1	60.9	4.8	47.81	2.0	64.76	1.5
Economy	5.6	5.6	3.8	1.9	64.9	-1.8	69.0	6.6	31.33	3.4	32.38	3.4
All Suites	9.1	10.9	3.6	5.8	69.8	4.0	70.9	10.3	71.69	2.5	95.91	0.9

TWELVE MONTH TREND REPORT - AS OF OCTOBER 1986

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	OCT	% CHG	OCT	% CHG	OCT	% CHG	OCT	% CHG
TOTAL	4.3	5.1	1.8	4.2	64.1	-0.2	54.1	2.5	$ 61.58	3.6	$ 92.65	2.9
REGION:												
Northeast	7.3	8.5	4.2	7.2	73.5	2.9	43.5	-0.5	$ 88.56	5.8	$128.37	4.7
Southeast	6.4	7.4	3.7	7.2	67.5	3.4	84.8	3.3	61.73	2.8	94.55	1.8
North Central	3.5	4.8	0.8	3.7	61.6	-1.3	41.5	4.0	49.74	5.2	76.74	3.9
South Central	-3.8	-3.9	-3.9	-3.1	54.0	-4.4	40.6	-1.0	52.06	-	77.47	0.1
West	6.2	6.6	2.9	2.5	67.3	-0.9	50.3	0.8	60.02	3.0	91.16	2.6
AFFILIATION:												
Chain	4.2	4.9	1.6	4.5	64.2	-0.2	51.2	1.8	60.55	3.3	89.76	2.7
Independent	4.8	5.9	2.7	3.1	63.7	0.2	66.0	4.9	66.50	4.9	106.41	3.8
LOCATION:												
Center City	5.8	6.6	3.2	5.3	63.6	1.4	45.6	1.3	75.56	4.6	113.71	3.7
Suburban	-0.6	0.9	-4.2	-0.3	61.5	-3.5	44.1	3.8	53.19	2.3	79.26	0.8
Airport	4.7	4.9	0.7	4.9	66.8	-	33.0	0.9	55.63	2.6	82.98	2.5
Highway	0.9	1.7	-1.9	0.9	63.2	-1.9	62.3	4.0	42.56	2.0	57.92	1.2
Resort	7.8	8.6	6.5	6.4	67.7	3.2	100.5	1.3	73.49	2.9	121.13	2.2
SIZE:												
UNDER 150 ROOMS	1.6	2.2	-1.2	1.3	63.3	-2.2	63.4	4.4	$ 41.97	3.1	$ 53.79	2.6
150 - 299 ROOMS	1.6	2.4	-1.6	2.3	61.9	-1.7	50.0	3.1	53.60	2.8	79.81	2.0
300 - 600 ROOMS	4.1	5.1	2.2	3.7	63.5	0.6	50.8	2.8	67.50	2.8	106.93	1.8
OVER 600 ROOMS	8.5	9.3	5.6	6.8	69.7	3.6	57.6	0.2	85.56	3.4	132.38	2.6
TYPE:												
Hotel	5.5	6.4	2.8	5.0	64.9	0.9	49.9	0.6	72.52	3.7	115.25	2.8
Motor Hotel	-	0.6	-2.3	0.5	62.5	-2.2	59.5	4.6	47.48	2.0	65.01	1.4
Economy	4.7	4.7	3.6	0.8	62.4	-2.2	67.6	5.6	31.11	3.4	32.09	3.3
All Suites	8.3	10.0	3.1	5.3	68.1	3.3	71.3	10.2	71.36	2.8	96.40	1.2

- NO CHANGE

FOOD AND BEVERAGE REPORT - OCTOBER 1986 COMPARED WITH OCTOBER 1985

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	% CHG
TOTAL	$35.34	$35.30	$10.41	$10.04	0.32	0.31	0.21	0.21	43.1	43.4	$ 6.23	$ 6.11	0.1
REGION:													
Northeast	$36.91	$35.44	$12.69	$12.23	0.29	0.29	0.20	0.20	44.2	44.4	$ 7.97	$ 7.75	3.0
Southeast	36.39	37.47	11.27	10.85	0.32	0.32	0.22	0.22	43.7	43.7	6.89	6.83	4.5
North Central	36.43	34.98	8.15	8.04	0.32	0.31	0.21	0.22	38.2	40.1	4.52	4.55	-3.6
South Central	28.82	30.27	9.40	9.29	0.33	0.33	0.23	0.22	41.8	42.5	5.20	5.38	-5.0
West	37.98	37.73	9.93	9.51	0.32	0.31	0.22	0.22	46.4	45.6	5.84	5.57	0.2
AFFILIATION:													
Chain	32.57	32.79	10.02	9.73	0.31	0.31	0.21	0.21	43.3	43.9	6.03	6.02	0.4
Independent	51.04	49.12	12.00	11.28	0.34	0.33	0.23	0.22	42.3	41.1	7.23	6.58	-1.1
LOCATION:													
Center City	36.94	36.99	11.52	11.11	0.30	0.29	0.21	0.21	44.8	44.8	7.32	7.09	-2.8
Suburban	29.35	30.05	8.22	8.31	0.34	0.34	0.23	0.23	42.1	41.7	4.71	4.84	-
Airport	30.85	30.27	9.54	8.92	0.33	0.32	0.22	0.22	42.3	43.4	5.55	5.57	2.4
Highway	27.32	27.73	7.96	7.68	0.34	0.34	0.24	0.23	41.0	43.8	4.13	4.20	-2.8
Resort	48.64	48.77	12.15	11.67	0.33	0.32	0.21	0.21	40.7	40.7	6.67	6.38	7.2
SIZE:													
UNDER 150 ROOMS	$35.50	$34.96	$ 8.05	$ 7.72	0.36	0.36	0.25	0.25	39.1	38.9	$ 4.20	$ 4.17	-3.2
150 - 299 ROOMS	27.92	29.02	8.11	8.13	0.35	0.34	0.23	0.24	44.1	43.7	4.87	4.93	0.5
300 - 600 ROOMS	36.29	35.92	10.58	10.20	0.32	0.31	0.22	0.21	44.1	44.1	6.37	6.28	-0.3
OVER 600 ROOMS	41.46	41.05	13.01	12.30	0.30	0.29	0.19	0.19	42.3	43.4	7.77	7.47	1.3
TYPE:													
Hotel	39.36	39.44	11.05	10.65	0.31	0.31	0.21	0.21	43.7	43.8	6.67	6.48	-0.1
Motor Hotel	23.46	22.83	7.88	7.50	0.34	0.34	0.22	0.22	40.0	41.8	4.49	4.65	0.9
Economy	4.98	6.89	*	*	*	*	*	*	*	*	*	*	*
All Suites	33.68	39.44	7.68	8.67	0.39	0.41	0.26	0.27	44.5	38.7	5.02	4.87	5.4

YEAR TO DATE FOOD AND BEVERAGE REPORT - AS OF OCTOBER 1986

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	% CHG
TOTAL	$34.19	$33.85	$ 9.75	$ 9.39	0.33	0.33	0.22	0.22	46.7	46.7	$ 6.28	$ 6.13	-0.6
REGION:													
Northeast	$36.11	$35.47	$11.60	$11.14	0.31	0.31	0.20	0.20	50.9	51.5	$ 8.23	$ 8.11	3.4
Southeast	33.98	34.14	9.90	9.44	0.33	0.33	0.23	0.23	43.1	43.0	6.10	5.87	1.0
North Central	32.03	31.53	8.30	8.17	0.33	0.34	0.22	0.22	43.8	43.6	4.96	4.86	-0.9
South Central	28.48	28.56	8.59	8.56	0.34	0.34	0.22	0.22	46.7	46.6	5.66	5.71	-3.8
West	39.12	38.55	10.08	9.59	0.33	0.33	0.23	0.22	48.8	48.6	6.41	6.19	-2.1
AFFILIATION:													
Chain	31.06	30.91	9.38	9.08	0.32	0.32	0.21	0.21	46.8	46.9	6.12	6.00	-0.4
Independent	51.02	49.47	11.14	10.52	0.33	0.34	0.24	0.23	46.2	46.0	7.01	6.68	-1.4
LOCATION:													
Center City	35.79	35.31	10.98	10.64	0.31	0.31	0.21	0.21	50.5	50.8	7.73	7.63	1.6
Suburban	28.56	28.81	8.07	8.00	0.34	0.35	0.23	0.23	45.7	45.0	5.11	5.04	-4.3
Airport	28.02	28.22	8.53	8.23	0.33	0.33	0.22	0.22	45.3	44.8	5.21	5.07	-1.3
Highway	26.42	26.88	7.86	7.67	0.35	0.35	0.25	0.24	42.9	42.7	4.44	4.33	-3.8
Resort	48.84	48.04	11.03	10.37	0.33	0.34	0.22	0.22	42.1	42.3	6.24	6.01	1.2
SIZE:													
UNDER 150 ROOMS	$33.41	$32.97	$ 7.61	$ 7.28	0.37	0.37	0.26	0.26	42.1	41.9	$ 4.31	$ 4.20	-4.0
150 - 299 ROOMS	28.38	28.32	8.02	7.81	0.35	0.35	0.23	0.23	45.8	45.5	5.06	4.94	-2.5
300 - 600 ROOMS	35.56	35.28	10.28	9.92	0.32	0.32	0.23	0.22	47.9	47.7	6.73	6.56	-0.6
OVER 600 ROOMS	39.98	39.72	11.95	11.53	0.31	0.30	0.20	0.19	47.0	47.5	7.86	7.78	3.1
TYPE:													
Hotel	38.12	37.77	10.33	9.94	0.32	0.32	0.22	0.21	47.4	47.4	6.72	6.54	-0.1
Motor Hotel	23.23	23.29	7.50	7.33	0.35	0.35	0.23	0.23	43.2	42.5	4.54	4.44	-2.8
Economy	14.93	15.30	*	*	*	*	*	*	*	*	*	*	*
All Suites	41.62	42.18	10.70	10.31	0.32	0.36	0.26	0.26	48.0	51.3	7.48	7.86	2.7

* INSUFFICIENT RESPONSE

TWELVE MONTH FOOD AND BEVERAGE REPORT - AS OF OCTOBER 1986

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	% CHG
TOTAL	$35.17	$34.82	$ 9.83	$ 9.46	0.33	0.33	0.22	0.22	46.6	46.6	$ 6.35	$ 6.19	-0.6
REGION:													
Northeast	$37.44	$37.03	$11.74	$11.28	0.31	0.31	0.20	0.20	50.6	51.1	$ 8.38	$ 8.22	2.3
Southeast	34.61	34.70	9.99	9.53	0.33	0.33	0.22	0.22	43.4	43.1	6.16	5.93	0.9
North Central	33.53	33.09	8.48	8.34	0.34	0.34	0.22	0.22	43.8	43.5	5.08	4.98	-0.7
South Central	29.25	29.28	8.74	8.63	0.34	0.34	0.22	0.22	46.5	46.6	5.75	5.77	-3.6
West	40.12	39.38	10.07	9.57	0.33	0.33	0.22	0.22	48.7	48.6	6.40	6.18	-1.5
AFFILIATION:													
Chain	32.11	31.94	9.50	9.18	0.32	0.33	0.21	0.21	46.8	46.8	6.21	6.08	-0.4
Independent	51.91	50.45	11.10	10.50	0.34	0.34	0.24	0.24	46.2	46.0	6.99	6.67	-1.6
LOCATION:													
Center City	37.15	36.74	11.11	10.76	0.31	0.31	0.21	0.21	50.0	50.4	7.76	7.66	1.4
Suburban	29.76	29.91	8.22	8.09	0.35	0.35	0.23	0.23	45.4	44.7	5.21	5.10	-4.3
Airport	28.87	28.96	8.59	8.25	0.33	0.33	0.22	0.22	45.1	44.4	5.21	5.06	-1.0
Highway	27.42	27.86	7.96	7.70	0.37	0.37	0.25	0.24	43.6	43.2	4.67	4.52	-3.3
Resort	49.40	48.44	11.02	10.42	0.34	0.34	0.22	0.22	42.6	42.7	6.28	6.07	1.3
SIZE:													
UNDER 150 ROOMS	$34.86	$34.39	$ 7.71	$ 7.40	0.37	0.37	0.25	0.25	42.0	41.7	$ 4.36	$ 4.25	-4.2
150 - 299 ROOMS	29.22	29.12	8.12	7.88	0.35	0.35	0.23	0.23	45.5	45.0	5.12	4.97	-2.4
300 - 600 ROOMS	36.50	36.18	10.34	9.96	0.33	0.33	0.23	0.22	48.1	48.0	6.84	6.66	-0.5
OVER 600 ROOMS	40.98	40.79	12.04	11.62	0.31	0.30	0.19	0.19	46.9	47.4	7.89	7.80	3.0
TYPE:													
Hotel	39.22	38.85	10.42	10.01	0.32	0.32	0.22	0.21	47.3	47.4	6.77	6.60	-
Motor Hotel	23.97	24.07	7.62	7.43	0.35	0.35	0.23	0.23	43.3	42.3	4.66	4.50	-3.0
Economy	14.41	14.64	*	*	*	*	*	*	*	*	*	*	*
All Suites	42.65	42.86	10.77	10.39	0.33	0.36	0.26	0.27	48.8	51.7	7.67	7.98	2.1

* INSUFFICIENT RESPONSE